

**HONIGMAN MILLER SCHWARTZ AND COHN LLP**

2290 First National Building  
660 Woodward Avenue  
Detroit Michigan 48226  
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Lawrence A. Lichtman (MI Bar #P35403)

**UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

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In re:	Chapter 11
SEARS HOLDINGS CORPORATION, <i>et al.</i> , <sup>1</sup>	Case No.18-23538 (RDD)
Debtors.	(Jointly Administered)

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**NOTICE OF RECLAMATION DEMAND  
OF MIDWEST TOOL AND CUTLERY COMPANY**

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

The Debtors also include SHC Licensed Business LLC (3718), filed as Case No. 18-23616, and SHC Promotions LLC (9626), filed as Case No. 18-23630 (the "Additional Debtors"). The Additional Debtors each filed a motion in their respective chapter 11 case requesting joint administration with the Debtors for procedural purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

**PLEASE TAKE NOTICE** that Midwest Tool and Cutlery Company (“Claimant”), by and through its undersigned counsel, hereby files this notice of the delivery of a written reclamation demand, dated November 2, 2018, pursuant to 11 U.S.C. §§503 and 546(c), Uniform Commercial Code § 2-702, and applicable non-bankruptcy law, on the above-captioned debtors and debtors in possession (the “Debtors”) to reclaim certain goods (the “Goods”) that are subject to reclamation and which were sold by Claimant to Debtors in the ordinary course of business, delivered on credit terms, and which were received by the Debtors during the forty-five (45) days prior to the commencement of the Debtors’ Chapter 11 bankruptcy cases. On information and belief, the Debtors were insolvent at the time they received delivery of the Goods. Claimant incorporates herein by reference a copy of its formal reclamation demand letter attached as Exhibit 1, which has been delivered to the Debtors’ general counsel and bankruptcy counsel, respectively, by overnight mail and electronic mail, as indicated.

**PLEASE TAKE FURTHER NOTICE** that Claimant reserves all of its rights and remedies with respect to the Goods, and otherwise in Debtors’ Chapter 11 cases, including, without limitation: (i) its right to assert an administrative expense claim for the value of all Goods received by the Debtors within twenty (20) days before the commencement of the Chapter 11 cases in accordance with 11 U.S.C. § 503(b)(9), (ii) its right to assert a “new value” defense to any preference demand pursuant to 11 U.S.C. § 547(c)(4); (iii) its right to demand payment of any portion of these invoices as a “cure” payment in connection with the Debtors’ assumption of any executory contract, if any, pursuant to 11 U.S.C. § 365; (iv) its right to seek payment of its prepetition invoices from any non-debtor parties that are co-obligors; (v) its right to file additional demands or claims, including without limitation, a proof of claim; and/or (vi) its right to assert any other rights under applicable law. By filing this Notice, Claimant does not consent to the entry of

any final orders of the bankruptcy court on non-core issues and claims, and does not waive any jurisdictional defenses and Claimant reserves its rights to amend this Notice.

Respectfully submitted,

HONIGMAN MILLER SCHWARTZ AND COHN LLP  
Attorneys For Midwest Tool and Cutlery Company

By: /s/ Lawrence A. Lichtman  
Lawrence A. Lichtman  
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[llichtman@honigman.com](mailto:llichtman@honigman.com)

DATED: November 2, 2018

**EXHIBIT 1**

**Reclamation Demand of Midwest Tool and Cutlery Company**

# HONIGMAN

Honigman Miller Schwartz and Cohn LLP  
Attorneys and Counselors

Lawrence A. Lichtman

(313) 465- 7590  
Fax: (313) 465-7591  
lichtman@honigman.com

November 2, 2018

***Via Federal Express Priority Overnight Delivery***

Sears Holdings Corporation  
3333 Beverly Road  
Hoffman Estates, IL 60179  
Attention: General Counsel

***Via Federal Express Priority Overnight Delivery  
& Email***

Weil, Gotshal & Manges LLP  
Attn: Ray C. Schrock, P.C., Jacqueline Marcus,  
Garrett A. Fail, Sunny Singh  
767 Fifth Avenue  
New York, NY 10153  
[ray.schrock@weil.com](mailto:ray.schrock@weil.com)  
[jacqueline.marcus@weil.com](mailto:jacqueline.marcus@weil.com)  
[garrett.fail@weil.com](mailto:garrett.fail@weil.com)  
[sunny.singh@weil.com](mailto:sunny.singh@weil.com)

***Re: In re Sears Holdings Corporation, et al., Case No. 18-23538 (Bankr. S.D.N.Y.)  
Demand for Reclamation Pursuant to 11 U.S.C. § 546(c)***

Ladies and Gentlemen:

Our firm represents Midwest Tool and Cutlery Company (“Claimant”), a creditor in the above-captioned bankruptcy cases of Sears Holdings Corporation and its affiliated debtors (collectively, the “Debtors”), with respect to amounts due and owing from one or more of the Debtors (including, but not necessarily limited to, Sears, Roebuck and Co.).

Pursuant to 11 U.S.C. § 546(c), and Uniform Commercial Code § 2-702 and other applicable non-bankruptcy law, Claimant hereby makes demand on the Debtors for the reclamation and return of all goods that were shipped to the Debtors by Claimant, where such goods were received by Debtors within forty-five (45) days prior to the commencement of the Debtors’ chapter 11 bankruptcy cases (the “Reclamation Goods”). The Reclamation Goods include, without limitation, those items identified on **Attachment A**, enclosed herewith. Additional documentation in support of this reclamation demand will be made available upon written request.

# HONIGMAN

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November 2, 2018

Page 2

The Reclamation Goods were sold by Claimant to Debtors in the ordinary course of business, delivered on credit terms, and were received by the Debtors during the forty-five (45) days prior to the commencement of the Debtors' Chapter 11 bankruptcy cases. On information and belief, the Debtors were insolvent at the time they received delivery of the Reclamation Goods.

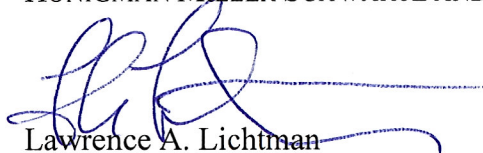
Claimant hereby demands that Debtors segregate and protect the Reclamation Goods and that Debtors provide an immediate accounting of all Reclamation Goods on-hand at the time this letter is received and their present location(s), and of any Reclamation Goods sold after the Debtors filed for chapter 11 protection.

Claimant makes this demand for reclamation without prejudice to any and all other rights and remedies available to it, at law or in equity, including, but not limited to, its right to an allowed administrative expense claim under 11 U.S.C. § 503(b)(9) or any other provision of the Bankruptcy Code and/or its right to amend and supplement this demand and to serve additional demands or claims.

Please forward all communications concerning the matters discussed herewith to my office as counsel for Claimant. Should you have any questions, please do not hesitate to contact me.

Very truly yours,

HONIGMAN MILLER SCHWARTZ AND COHN LLP



Lawrence A. Lichtman

Attachment

Invoice Date (and Shipment Date)	Invoice #	Item	Quantity	Invoice Amount
8/31/2018	240043	MWT-6716S	4.000	\$ 31.40
9/4/2018	240128	MWT-77D	1.000	8.58
9/4/2018	240122	MWT-6716B	1.000	8.95
9/4/2018	240124	MWT-6716B	1.000	8.95
9/4/2018	240125	MWT-6716B	1.000	8.95
9/4/2018	240126	MWT-6716B	1.000	8.95
9/4/2018	240127	MWT-6716B	1.000	8.95
9/4/2018	240131	MWT-127S	1.000	13.35
9/4/2018	240130	MWT-6300	1.000	22.99
9/4/2018	240129	MWT-6716A	3.000	31.17
9/4/2018	240123	MWT-SS6510L	14.000	162.26
9/5/2018	240182	70A-CRFT-42714	18.000	121.68
9/5/2018	240182	MWT-6516	18.000	174.24
9/5/2018	240182	70A-CRFT-42717	36.000	239.40
9/5/2018	240182	MWT-6510R	36.000	311.76
9/5/2018	240182	70A-CRFT-42713	72.000	478.80
9/5/2018	240182	MWT-6510L	144.000	1247.04
9/5/2018	240182	MWT-6510C	657.000	11123.01
9/7/2018	240297	MWT-6716B	1.000	8.95
9/7/2018	240299	MWT-SS6510L	1.000	11.59
9/7/2018	240298	MWT-1200SV	1.000	17.06
9/10/2018	240444	MWT-6716B	1.000	8.95
9/10/2018	240447	MWT-6716B	1.000	8.95
9/10/2018	240441	MWT-SS6510L	1.000	11.59
9/10/2018	240442	MWT-127S	1.000	13.35
9/10/2018	240445	MWT-127D	1.000	13.99
9/10/2018	240443	MWT-6300	1.000	22.99
9/10/2018	240446	MWT-6300	1.000	22.99
9/12/2018	240546	MWT-SS6510L	6.000	88.62
9/12/2018	240546	70A-CRFT-42714	18.000	121.68
9/12/2018	240546	MWT-6516	18.000	174.24
9/12/2018	240546	70A-CRFT-42713	36.000	239.40
9/12/2018	240547	70A-CRFT-42714	36.000	243.36
9/12/2018	240546	MWT-6510S	36.000	311.76
9/12/2018	240546	MWT-6510L	36.000	311.76
9/12/2018	240547	MWT-6510S	36.000	311.76
9/12/2018	240547	MWT-6510R	36.000	311.76
9/12/2018	240547	70A-CRFT-42717	72.000	478.80
9/12/2018	240547	MWT-6516	90.000	871.20

9/12/2018	240547	MWT-6510L	108.000	935.28
9/12/2018	240546	MWT-6510C	225.000	3809.25
9/12/2018	240547	MWT-6510C	423.000	7161.39
9/13/2018	240825	70A-CRFT-42714	36.000	243.36
9/13/2018	240825	MWT-6510S	36.000	311.76
9/13/2018	240825	MWT-6516	54.000	522.72
9/13/2018	240825	70A-CRFT-42713	108.000	718.20
9/13/2018	240825	70A-CRFT-42717	144.000	957.60
9/13/2018	240825	MWT-6510L	324.000	2805.84
9/13/2018	240825	MWT-6510C	720.000	12189.60
9/14/2018	240836	MWT-1200R	1.000	4.71
9/14/2018	240838	MWT-1200R	1.000	4.71
9/14/2018	240839	MWT-6716B	1.000	8.95
9/19/2018	241073	70A-CRFT-42714	18.000	121.68
9/19/2018	241072	70A-CRFT-42714	18.000	121.68
9/19/2018	241075	70A-CRFT-42714	18.000	121.68
9/19/2018	241075	MWT-6516	18.000	174.24
9/19/2018	241073	70A-CRFT-42717	36.000	239.40
9/19/2018	241074	70A-CRFT-42711	36.000	239.40
9/19/2018	241072	70A-CRFT-42711	36.000	239.40
9/19/2018	241072	70A-CRFT-42713	36.000	239.40
9/19/2018	241075	70A-CRFT-42713	36.000	239.40
9/19/2018	241075	70A-CRFT-42717	36.000	239.40
9/19/2018	241074	70A-CRFT-42714	36.000	243.36
9/19/2018	241073	MWT-6510L	36.000	311.76
9/19/2018	241074	MWT-6510S	36.000	311.76
9/19/2018	241074	MWT-6510R	36.000	311.76
9/19/2018	241072	MWT-6510S	36.000	311.76
9/19/2018	241072	MWT-6510R	36.000	311.76
9/19/2018	241075	MWT-6510S	36.000	311.76
9/19/2018	241075	MWT-6510R	36.000	311.76
9/19/2018	241072	MWT-6516	36.000	348.48
9/19/2018	241073	70A-CRFT-42713	72.000	478.80
9/19/2018	241072	70A-CRFT-42717	72.000	478.80
9/19/2018	241073	MWT-6516	54.000	522.72
9/19/2018	241074	MWT-6516	54.000	522.72
9/19/2018	241074	70A-CRFT-42717	144.000	957.60
9/19/2018	241072	MWT-6510L	144.000	1247.04
9/19/2018	241075	MWT-6510L	144.000	1247.04
9/19/2018	241073	MWT-6510C	90.000	1523.70
9/19/2018	241074	70A-CRFT-42713	252.000	1675.80



## Midwest Tool and Cutlery Company

9/19/2018	241074	MWT-6510L	504.000	4364.64
9/19/2018	241075	MWT-6510C	468.000	7923.24
9/19/2018	241074	MWT-6510C	495.000	8380.35
9/19/2018	241072	MWT-6510C	810.000	13713.30
9/20/2018	241201	MWT-127D	1.000	13.99
9/21/2018	241368	MWT-107D	1.000	11.39
9/24/2018	241427	MWT-6716L	1.000	7.85
9/24/2018	241429	MWT-SS6510L	5.000	57.95
9/26/2018	241540	MWT-6716A	1.000	10.39
9/26/2018	241541	MWT-SS6716L	1.000	11.25
9/26/2018	241537	MWT-SS6510L	6.000	88.62
9/26/2018	241537	MWT-6516	18.000	174.24
9/26/2018	241537	70A-CRFT-42713	36.000	239.40
9/26/2018	241537	70A-CRFT-42717	36.000	239.40
9/26/2018	241537	MWT-6510R	36.000	311.76
9/26/2018	241538	MWT-6510L	36.000	311.76
9/26/2018	241539	MWT-6516	54.000	522.72
9/26/2018	241537	MWT-6510L	72.000	623.52
9/26/2018	241537	MWT-6510C	90.000	1523.70
9/26/2018	241539	MWT-6510L	180.000	1558.80
9/26/2018	241539	MWT-6510C	531.000	8989.83
9/27/2018	241629	70A-CRFT-42713	36.000	239.40
9/27/2018	241633	70A-CRFT-42717	36.000	239.40
9/27/2018	241636	70A-CRFT-42714	36.000	243.36
9/27/2018	241629	70A-CRFT-42714	36.000	243.36
9/27/2018	241633	70A-CRFT-42714	36.000	243.36
9/27/2018	241628	MWT-6510S	36.000	311.76
9/27/2018	241628	MWT-6510R	36.000	311.76
9/27/2018	241633	MWT-6510S	36.000	311.76
9/27/2018	241633	MWT-6510R	36.000	311.76
9/27/2018	241629	MWT-6516	36.000	348.48
9/27/2018	241628	70A-CRFT-42714	54.000	365.04
9/27/2018	241636	MWT-6516	54.000	522.72
9/27/2018	241633	MWT-6516	54.000	522.72
9/27/2018	241636	MWT-6510S	72.000	623.52
9/27/2018	241636	MWT-6510R	72.000	623.52
9/27/2018	241636	MWT-6510L	72.000	623.52
9/27/2018	241636	70A-CRFT-42717	108.000	718.20
9/27/2018	241629	70A-CRFT-42717	108.000	718.20
9/27/2018	241633	70A-CRFT-42713	108.000	718.20
9/27/2018	241629	MWT-6510L	108.000	935.28

Attachment A to Reclamation Demand Letter – Page 4 of 5  
Midwest Tool and Cutlery Company

9/27/2018	241628	70A-CRFT-42713	144.000	957.60
9/27/2018	241628	MWT-6516	108.000	1045.44
9/27/2018	241628	70A-CRFT-42717	180.000	1197.00
9/27/2018	241628	MWT-6510L	216.000	1870.56
9/27/2018	241633	MWT-6510L	216.000	1870.56
9/27/2018	241628	MWT-6510C	279.000	4723.47
9/27/2018	241633	MWT-6510C	468.000	7923.24
9/27/2018	241636	MWT-6510C	594.000	10056.42
9/27/2018	241629	MWT-6510C	648.000	10970.64
10/1/2018	241842	MWT-6716B	1.000	8.95
10/2/2018	241850	MWT-6716B	1.000	8.95
10/2/2018	241853	MWT-6716B	1.000	8.95
10/2/2018	241854	MWT-6716B	1.000	8.95
10/3/2018	242036	MWT-SS6716L	1.000	11.25
10/3/2018	242032	MWT-6516	18.000	174.24
10/3/2018	242032	70A-CRFT-42711	36.000	239.40
10/3/2018	242031	70A-CRFT-42717	36.000	239.40
10/3/2018	241915	70A-CRFT-42717	36.000	239.40
10/3/2018	241915	70A-CRFT-42714	36.000	243.36
10/3/2018	241914	MWT-6510L	36.000	311.76
10/3/2018	241914	MWT-6516	36.000	348.48
10/3/2018	242032	70A-CRFT-42714	54.000	365.04
10/3/2018	242032	70A-CRFT-42713	72.000	478.80
10/3/2018	242033	70A-CRFT-42713	72.000	478.80
10/3/2018	242033	70A-CRFT-42717	72.000	478.80
10/3/2018	242031	MWT-6516	72.000	696.96
10/3/2018	242033	MWT-6516	90.000	871.20
10/3/2018	242032	70A-CRFT-42717	144.000	957.60
10/3/2018	242033	MWT-6510L	180.000	1558.80
10/3/2018	241915	MWT-6510L	180.000	1558.80
10/3/2018	241914	MWT-6510C	135.000	2285.55
10/3/2018	242032	MWT-6510L	324.000	2805.84
10/3/2018	241915	MWT-6510C	369.000	6247.17
10/3/2018	242033	MWT-6510C	396.000	6704.28
10/3/2018	242032	MWT-6510C	441.000	7466.13
10/3/2018	242031	MWT-6510C	486.000	8227.98
10/4/2018	242208	MWT-SS6716L	1.000	11.25
10/4/2018	242209	MWT-SS6510L	1.000	11.59
10/4/2018	242210	MWT-SS6716L	2.000	22.50
10/5/2018	242233	MWT-77D	1.000	8.58
10/8/2018	242342	MWT-2110R	1.000	4.71

## Midwest Tool and Cutlery Company

10/8/2018	242340	MWT-6716B	1.000	8.95
10/8/2018	242344	MWT-6716B	1.000	8.95
10/8/2018	242344	MWT-SS6510L	1.000	11.59
10/8/2018	242343	MWT-127D	1.000	13.99
10/8/2018	242341	MWT-1200	1.000	16.64
10/8/2018	242341	MWT-1200SV	1.000	17.06
10/9/2018	242432	MWT-SS6716L	1.000	11.25
10/10/2018	242645	MWT-1200SV	1.000	17.06
<b>Total:</b>				<b>\$202,749.90</b>

**CERTIFICATE OF SERVICE**

I hereby certify that on November 2, 2018, a true and correct copy of the foregoing was served via the ECF filing system of the United States Bankruptcy Court for the Southern District of New York on all parties receiving notice in this case.

By: /s/ Lawrence A. Lichtman  
Lawrence A. Lichtman  
2290 First National Building  
660 Woodward Avenue  
Detroit, MI 48226-3506  
313-465-7590